



COMMUNITY DEVELOPMENT COMMISSION
County of Los Angeles

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Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

March 30, 2004

Honorable Board of Commissioners
Community Development Commission of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE IMPLEMENTATION OF LIVING WAGE PROGRAM POLICY FOR THE
COMMUNITY DEVELOPMENT COMMISSION AND HOUSING AUTHORITY
(ALL DISTRICTS)
(3 Vote)**

**IT IS RECOMMENDED THAT YOUR BOARD, ACTING AS THE GOVERNING BODY
OF THE COMMUNITY DEVELOPMENT COMMISSION:**

1. Approve implementation of a Living Wage Program policy, as described herein, which requires firms contracting with the Community Development Commission for certain services, as determined by the Executive Director, pay a living wage that is consistent with the living wage standard implemented by the County of Los Angeles.
2. Authorize the Executive Director to implement the Living Wage Program policy, so as to apply to all solicitations published on or after May 1,

2004, and to implement future changes to the Living Wage Program policy to remain consistent with the County standards.

IT IS RECOMMENDED THAT YOUR BOARD, ACTING AS THE GOVERNING BODY OF THE HOUSING AUTHORITY:

1. Approve implementation of a Living Wage Program policy, as described herein, which requires that firms contracting with the Housing Authority for certain services, as determined by the Executive Director, pay a living wage that is consistent with the living wage standard implemented by the County of Los Angeles.
2. Authorize the Executive Director to implement the Living Wage Program policy, so as to apply to all solicitations published on or after May 1, 2004, and to implement future changes to the Living Wage Program policy to remain consistent with the County standard.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to implement a Living Wage Program policy that is consistent with the County standard.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On June 15, 1999, the Board of Supervisors approved an ordinance that enacted Chapter 2.201 of the Los Angeles County Code, requiring that for certain services, contractors and associated subcontractors must pay at least a living wage to full-time employees performing services for the County. The ordinance defines the living wage rates as a minimum \$8.32 per hour for full-time employees with health benefits, or a minimum of \$9.46 per hour without health benefits.

The Board of Supervisors later approved a motion to evaluate amending the ordinance to extend its application to agencies not previously included, including the Commission and Housing Authority. In consultation with County Counsel, it was determined that as to the Commission and Housing Authority, an amendment to the ordinance would not be feasible because they are not County agencies, but separate legal entities governed by their own legal requirements and policies. Therefore, the Commission and the Housing Authority are proceeding with developing a Living Wage Program policy that generally conforms to the County standard.

The Living Wage Program policy will apply to solicitations published on or after May 1, 2004. The one-month period following Board approval will allow time to inform and train staff regarding the new policy and procedures, revise standard forms of contract and bid documents, provide notifications to vendors, and complete other actions necessary for implementation of the policy.

The main components of the new Living Wage Program policy are described below.

Principal Elements of the Living Wage Program Policy

The Living Wage Program policy will apply to full-time employees of contractors and subcontractors providing services to the Commission and Housing Authority in service categories determined by the Executive Director, and currently identified on the attached list. As a general rule, contractors will be required to use full-time employees, however, part-time employees can be hired to perform services when the contractor provides justification to the Commission or the Housing Authority and approval is provided in advance. In such cases, the living wage will not apply.

Consistent with the County standard, the living wage will be defined as a minimum of \$8.32 per hour, plus at least \$1.14 per hour toward health benefits for each employee and any dependents, or a minimum of \$9.46 per hour for full-time employees without health benefits.

Contractors will demonstrate during the procurement process, and for the duration of the contract term, a history of business stability, integrity in employee relations, and the financial ability to pay a living wage. The Living Wage Program policy will include language that will create specified job retention opportunities for employees of contractors subject to the Living Wage Program policy. Contractors will be prohibited from retaliating against persons who report violations, or hindering employee organization activities for the purpose of collective bargaining.

The Living Wage Program policy will apply to contractors and subcontractors who meet the definition of "employer" as defined in the policy. The Living Wage Program policy will exempt contractors and subcontractors on the following bases:

- A business with non-profit status, as defined in Internal Revenue Service Code 501 (c) (3);
- A small business, as defined in the Los Angeles County Code 2.201.090 (D);
- A business which has received or will receive less than \$25,000 in aggregate from Commission or Housing Authority contracts in any 12-month period; or
- A business with a collective bargaining agreement with provisions that supersede any or all requirements of the Living Wage Program policy.

The Executive Director will interpret provisions of the Living Wage Program policy, with the assistance of County Counsel, and issue written amendments as necessary.

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The Living Wage Program policy will include administrative and legal remedies to address contractor violations. The policy will provide for staff to monitor compliance on a monthly basis, and include measures to correct violations through written requests and other administrative remedies. In the event violations remain uncorrected, the policy will also provide for the Commission and Housing Authority to consult with County Counsel to take further action, up to and including contract termination and debarment from entering into future contracts with the Commission or the Housing Authority. In the event debarment is deemed necessary, the Living Wage Program policy will follow the Commission and Housing Authority's debarment policies.

At its meeting of February 25, 2004, the Housing Commission recommended approval of this action.

IMPACT ON CURRENT PROJECTS:

Implementation of the policy may increase administrative expenses, thereby decreasing the amount of funds available for direct program services.

Respectfully submitted,

CARLOS JACKSON
Executive Director

Attachment: 1

LIVING WAGE PROGRAM POLICY SERVICE CATEGORIES

<u>Service Description</u>	<u>Sub-Category Description</u>
Janitorial	Custodial
Clerical	Clerical Services
Landscaping	Pest Control-Exterior Mowing Maintenance Gardening
Messenger	Courier Delivery Services
Security	Armed/Unarmed
Automobile	Auto Mechanic Auto Fleet Management
Professional	Consultant Facilities/Management Legal Services 3 rd Party Workers Compensation